

Senate Amendment 5205

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1 1 Amend Senate File 2298 as follows:

1 2 #1. Page 30, by inserting after line 25 the
1 3 following:

1 4 <Sec. _____. GROW IOWA VALUES FUND APPROPRIATION.

1 5 1. There is appropriated from the grow Iowa values
1 6 fund to the department of economic development for the
1 7 fiscal period beginning July 1, 2004, and ending June
1 8 30, 2006, the following amounts, or so much thereof as
1 9 is necessary, to be used for the purposes designated:

1 10 For programs administered by the department of
1 11 economic development:

1 12 FY 2004=2005..... \$ 34,000,000

1 13 FY 2005=2006..... \$ 66,000,000

1 14 2. Notwithstanding section 8.33, moneys
1 15 appropriated in this section that remain unexpended at
1 16 the end of a fiscal year shall not revert to any fund
1 17 but shall remain available for expenditure for the
1 18 designated purposes during the succeeding fiscal
1 19 year.>

1 20 #2. Page 39, by inserting after line 1 the
1 21 following:

1 22 <Sec. _____. Section 8.57, subsection 5, paragraph
1 23 e, Code Supplement 2003, is amended to read as
1 24 follows:

1 25 e. Notwithstanding provisions to the contrary in
1 26 sections 99D.17 and 99F.11, for the fiscal year
1 27 beginning July 1, ~~2000~~ 2003, and ~~for each fiscal year~~
~~1 28 thereafter ending June 30, 2004~~, not more than a total
1 29 of sixty million dollars shall be deposited in the
1 30 general fund of the state in ~~any~~ the fiscal year
1 31 pursuant to sections 99D.17 and 99F.11; ~~for the fiscal~~
~~1 32 period beginning July 1, 2004, and ending June 30,~~
~~1 33 2025, not more than a total of ten million dollars of~~
~~1 34 the moneys directed to be deposited in the general~~
~~1 35 fund of the state in a fiscal year pursuant to~~
~~1 36 sections 99D.17 and 99F.11 shall be deposited in the~~
~~1 37 grow Iowa values fund created in section 15G.108 in~~
~~1 38 any fiscal year, and not more than a total of fifty~~
~~1 39 million dollars shall be deposited in the general fund~~
~~1 40 in any fiscal year; and for the fiscal year beginning~~
~~1 41 July 1, 2025, and for each fiscal year thereafter, not~~
~~1 42 more than a total of sixty million dollars shall be~~
~~1 43 deposited in the general fund of the state in any~~
~~1 44 fiscal year pursuant to sections 99D.17 and 99F.11.~~

1 45 The next fifteen million dollars of the moneys
1 46 directed to be deposited in the general fund of the
1 47 state in a fiscal year pursuant to sections 99D.17 and
1 48 99F.11 shall be deposited in the vision Iowa fund
1 49 created in section 12.72 for the fiscal year beginning
1 50 July 1, 2000, and for each fiscal year through the
2 1 fiscal year beginning July 1, 2019. The next five
2 2 million dollars of the moneys directed to be deposited
2 3 in the general fund of the state in a fiscal year
2 4 pursuant to sections 99D.17 and 99F.11 shall be
2 5 deposited in the school infrastructure fund created in
2 6 section 12.82 for the fiscal year beginning July 1,
2 7 2000, and for each fiscal year thereafter until the
2 8 principal and interest on all bonds issued by the
2 9 treasurer of state pursuant to section 12.81 are paid,
2 10 as determined by the treasurer of state. The total
2 11 moneys in excess of the moneys deposited in the
2 12 general fund of the state, the grow Iowa values fund,
2 13 the vision Iowa fund, and the school infrastructure
2 14 fund in a fiscal year shall be deposited in the
2 15 rebuild Iowa infrastructure fund and shall be used as
2 16 provided in this section, notwithstanding section
2 17 8.60.

2 18 If the total amount of moneys directed to be
2 19 deposited in the general fund of the state under
2 20 sections 99D.17 and 99F.11 in a fiscal year is less
2 21 than the total amount of moneys directed to be

2 22 deposited in the grow Iowa values fund, the vision
2 23 Iowa fund, and the school infrastructure fund in the
2 24 fiscal year pursuant to this paragraph "e", the
2 25 difference shall be paid from lottery revenues in the
2 26 manner provided in section 99G.39, subsection 3.

2 27 Sec. _____. NEW SECTION. 12.91 GENERAL AND
2 28 SPECIFIC BONDING POWERS.

2 29 1. The treasurer of state may issue bonds for the
2 30 purpose of funding the grow Iowa values fund created
2 31 in section 15G.108. The treasurer of state shall have
2 32 all of the powers which are necessary to issue and
2 33 secure bonds and carry out the purposes of the fund.
2 34 The treasurer of state may issue bonds in principal
2 35 amounts which are necessary to provide sufficient
2 36 funds for the grow Iowa values fund, the payment of
2 37 interest on the bonds, the establishment of reserves
2 38 to secure the bonds, the costs of issuance of the
2 39 bonds, other expenditures of the treasurer of state
2 40 incident to and necessary or convenient to carry out
2 41 the bond issue for the fund, and all other
2 42 expenditures of the board necessary or convenient to
2 43 administer the fund. The bonds are investment
2 44 securities and negotiable instruments within the
2 45 meaning of and for purposes of the uniform commercial
2 46 code.

2 47 2. Bonds issued under this section are payable
2 48 solely and only out of the moneys, assets, or revenues
2 49 of the grow Iowa values fund and any bond reserve
2 50 funds established pursuant to section 12.92, all of
3 1 which may be deposited with trustees or depositories
3 2 in accordance with bond or security documents and
3 3 pledged to the payment thereof. Bonds issued under
3 4 this section shall contain on their face a statement
3 5 that the bonds do not constitute an indebtedness of
3 6 the state. The treasurer of state shall not pledge
3 7 the credit or taxing power of this state or any
3 8 political subdivision of the state or make bonds
3 9 issued pursuant to this section payable out of any
3 10 moneys except those in the grow Iowa values fund.

3 11 3. The proceeds of bonds issued by the treasurer
3 12 of state and not required for immediate disbursement
3 13 may be deposited with a trustee or depository as
3 14 provided in the bond documents and invested or
3 15 reinvested in any investment as directed by the
3 16 treasurer of state and specified in the trust
3 17 indenture, resolution, or other instrument pursuant to
3 18 which the bonds are issued without regard to any
3 19 limitation otherwise provided by law.

3 20 4. The bonds shall be:

3 21 a. In a form, issued in denominations, executed in
3 22 a manner, and payable over terms and with rights of
3 23 redemption, and be subject to the terms, conditions,
3 24 and covenants providing for the payment of the
3 25 principal of, redemption premiums, if any, interest
3 26 which may be fixed or variable during any period the
3 27 bonds are outstanding, and such other terms and
3 28 conditions as prescribed in the trust indenture,
3 29 resolution, or other instrument authorizing their
3 30 issuance.

3 31 b. Negotiable instruments under the laws of the
3 32 state and may be sold at prices, at public or private
3 33 sale, and in a manner, as prescribed by the treasurer
3 34 of state. Chapters 73A, 74, 74A, and 75 do not apply
3 35 to the sale or issuance of the bonds.

3 36 c. Subject to the terms, conditions, and covenants
3 37 providing for the payment of the principal, redemption
3 38 premiums, if any, interest, and other terms,
3 39 conditions, covenants, and protective provisions
3 40 safeguarding payment, not inconsistent with this
3 41 section and as determined by the trust indenture,
3 42 resolution, or other instrument authorizing their
3 43 issuance.

3 44 5. The bonds are securities in which public
3 45 officers and bodies of this state, political
3 46 subdivisions of this state, insurance companies and
3 47 associations and other persons carrying on an
3 48 insurance business, banks, trust companies, savings
3 49 associations, savings and loan associations, and
3 50 investment companies; administrators, guardians,
4 1 executors, trustees, and other fiduciaries; and other
4 2 persons authorized to invest in bonds or other

4 3 obligations of the state may properly and legally
4 4 invest funds, including capital, in their control or
4 5 belonging to them.

4 6 6. Bonds must be authorized by a trust indenture,
4 7 resolution, or other instrument of the treasurer of
4 8 state.

4 9 7. Neither the resolution, trust indenture, nor
4 10 any other instrument by which a pledge is created
4 11 needs to be recorded or filed under the Iowa uniform
4 12 commercial code to be valid, binding, or effective.

4 13 8. Bonds issued under the provisions of this
4 14 section are declared to be issued for a general public
4 15 and governmental purpose and all bonds issued under
4 16 this section shall be exempt from taxation by the
4 17 state of Iowa and the interest on the bonds shall be
4 18 exempt from the state income tax and the state
4 19 inheritance and estate tax.

4 20 9. Subject to the terms of any bond documents,
4 21 moneys in the grow Iowa values fund may be expended
4 22 for administration expenses.

4 23 10. The treasurer of state may issue bonds for the
4 24 purpose of refunding any bonds issued pursuant to this
4 25 section then outstanding, including the payment of any
4 26 redemption premiums thereon and any interest accrued
4 27 or to accrue to the date of redemption of the
4 28 outstanding bonds. Until the proceeds of bonds issued
4 29 for the purpose of refunding outstanding bonds are
4 30 applied to the purchase or retirement of outstanding
4 31 bonds or the redemption of outstanding bonds, the
4 32 proceeds may be placed in escrow and be invested and
4 33 reinvested in accordance with the provisions of this
4 34 section. The interest, income, and profits earned or
4 35 realized on an investment may also be applied to the
4 36 payment of the outstanding bonds to be refunded by
4 37 purchase, retirement, or redemption. After the terms
4 38 of the escrow have been fully satisfied and carried
4 39 out, any balance of proceeds and interest earned or
4 40 realized on the investments may be returned to the
4 41 treasurer of state for deposit in the grow Iowa values
4 42 fund established in section 15G.108. All refunding
4 43 bonds shall be issued and secured and subject to the
4 44 provisions of this chapter in the same manner and to
4 45 the same extent as other bonds issued pursuant to this
4 46 section.

4 47 11. The treasurer of state shall have all of the
4 48 powers which are necessary to issue and secure bonds,
4 49 including but not limited to the power to procure
4 50 insurance, other credit enhancements, and other
5 1 financing arrangements, and to execute instruments and
5 2 contracts and to enter into agreements convenient or
5 3 necessary to facilitate financing arrangements with
5 4 respect to the bonds and to carry out the purposes of
5 5 the fund, including but not limited to such
5 6 arrangements, instruments, contracts, and agreements
5 7 as municipal bond insurance, self-insurance or
5 8 liquidity trusts, accounts, pools or other
5 9 arrangements, liquidity facilities or covenants,
5 10 letters of credit, and interest rate agreements.

5 11 12. For purposes of this section and sections
5 12 12.92 through 12.95, the term "bonds" means bonds,
5 13 notes, and other obligations and financing
5 14 arrangements issued or entered into by the treasurer
5 15 of state and the term "interest rate agreement" means
5 16 an interest rate swap or exchange agreement, an
5 17 agreement establishing an interest rate floor or
5 18 ceiling or both, or any similar agreement. Any such
5 19 agreement may include the option to enter into or
5 20 cancel the agreement or to reverse or extend the
5 21 agreement.

5 22 Sec. _____. NEW SECTION. 12.92 GROW IOWA VALUES
5 23 FUND ACCOUNTS AND RESERVE FUNDS.

5 24 1. The treasurer of state shall establish such
5 25 accounts within the grow Iowa values fund created in
5 26 section 15G.108 as may be appropriate, including debt
5 27 service accounts for the purpose of paying the
5 28 principal of, redemption premium, if any, and interest
5 29 on bonds payable therefrom. Moneys in the debt
5 30 service accounts shall not be subject to appropriation
5 31 for any other purpose by the general assembly, but
5 32 shall be used only for the purposes of paying the
5 33 principal of, redemption premium, if any, and interest

5 34 on the bonds payable therefrom.
5 35 2. Revenue for the grow Iowa values fund shall
5 36 include, but is not limited to, the following, which
5 37 shall be deposited with the treasurer of state or its
5 38 designee as provided by any bond or security documents
5 39 and credited to the debt service account:
5 40 a. The proceeds of bonds issued to capitalize and
5 41 pay the costs of the fund and investment earnings on
5 42 the proceeds.
5 43 b. Interest attributable to investment of moneys
5 44 in the fund or an account of the fund.
5 45 c. Moneys in the form of a devise, gift, bequest,
5 46 donation, federal or other grant, reimbursement,
5 47 repayment, judgment, transfer, payment, or
5 48 appropriation from any source intended to be used for
5 49 the purposes of the fund or account.
5 50 3. a. The treasurer of state may create and
6 1 establish one or more special funds, to be known as
6 2 "bond reserve funds", to secure one or more issues of
6 3 bonds issued pursuant to section 12.91. The treasurer
6 4 of state shall pay into each bond reserve fund any
6 5 moneys appropriated and made available by the state or
6 6 treasurer of state for the purpose of the fund, any
6 7 proceeds of sale of bonds to the extent provided in
6 8 the resolutions or trust indentures authorizing their
6 9 issuance, and any other moneys which may be available
6 10 to the treasurer of state for the purpose of the fund
6 11 from any other sources. All moneys held in a bond
6 12 reserve fund, except as otherwise provided in this
6 13 chapter, shall be used as required solely for the
6 14 payment of the principal of bonds secured in whole or
6 15 in part by the fund or of the sinking fund payments
6 16 with respect to the bonds, the purchase or redemption
6 17 of the bonds, the payment of interest on the bonds, or
6 18 the payments of any redemption premium required to be
6 19 paid when the bonds are redeemed prior to maturity.
6 20 b. Moneys in a bond reserve fund shall not be
6 21 withdrawn from it at any time in an amount that will
6 22 reduce the amount of the fund to less than the bond
6 23 reserve fund requirement established for the fund, as
6 24 provided in this subsection, except for the purpose of
6 25 making, with respect to bonds secured in whole or in
6 26 part by the fund, payment when due of principal,
6 27 interest, redemption premiums, and the sinking fund
6 28 payments with respect to the bonds for the payment of
6 29 which other moneys of the treasurer of state are not
6 30 available.
6 31 Any income or interest earned by, or incremental
6 32 to, a bond reserve fund due to the investment of it
6 33 may be transferred by the treasurer of state to other
6 34 funds or accounts to the extent the transfer does not
6 35 reduce the amount of that bond reserve fund below the
6 36 bond reserve fund requirement for it.
6 37 c. The treasurer of state shall not at any time
6 38 issue bonds, secured in whole or in part by a bond
6 39 reserve fund, if, upon the issuance of the bonds, the
6 40 amount in the bond reserve fund will be less than the
6 41 bond reserve fund requirement for the fund, unless the
6 42 treasurer of state at the time of issuance of the
6 43 bonds deposits in the fund from the proceeds of the
6 44 bonds issued or from other sources an amount which,
6 45 together with the amount then in the fund, will not be
6 46 less than the bond reserve fund requirement for the
6 47 fund. For the purposes of this subsection, the term
6 48 "bond reserve fund requirement" means, as of any
6 49 particular date of computation, an amount of money, as
6 50 provided in the resolutions or trust indentures
7 1 authorizing the bonds with respect to which the fund
7 2 is established.
7 3 d. To assure the continued solvency of any bonds
7 4 secured by the bond reserve fund, provision is made in
7 5 paragraph "a" for the accumulation in each bond
7 6 reserve fund of an amount equal to the bond reserve
7 7 requirement for the fund. In order to further assure
7 8 maintenance of the bond reserve funds, the treasurer
7 9 of state shall, on or before January 1 of each
7 10 calendar year, make and deliver to the governor the
7 11 treasurer of state's certificate stating the sum, if
7 12 any, required to restore each bond reserve fund to the
7 13 bond reserve fund requirement for that fund. Within
7 14 thirty days after the beginning of the session of the

7 15 general assembly next following the delivery of the
7 16 certificate, the governor shall submit to both houses
7 17 printed copies of a budget including the sum, if any,
7 18 required to restore each bond reserve fund to the bond
7 19 reserve fund requirement for that fund. Any sums
7 20 appropriated by the general assembly and paid to the
7 21 treasurer of state pursuant to this subsection shall
7 22 be deposited by the treasurer of state in the
7 23 applicable bond reserve fund.

7 24 Sec. ____ . NEW SECTION. 12.93 PLEDGES.

7 25 1. It is the intention of the general assembly
7 26 that a pledge made in respect of bonds shall be valid
7 27 and binding from the time the pledge is made, that the
7 28 moneys or property so pledged and received after the
7 29 pledge by the treasurer of state shall immediately be
7 30 subject to the lien of the pledge without physical
7 31 delivery or further act, and that the lien of the
7 32 pledge shall be valid and binding as against all
7 33 parties having claims of any kind in tort, contract,
7 34 or otherwise against the treasurer of state whether or
7 35 not the parties have notice of the lien.

7 36 2. The moneys set aside in a fund or funds pledged
7 37 for any series or issue of bonds shall be held for the
7 38 sole benefit of the series or issue separate and apart
7 39 from moneys pledged for another series or issue of
7 40 bonds of the treasurer of state. Bonds may be issued
7 41 in series under one or more resolutions or trust
7 42 indentures and may be fully open-ended, thus providing
7 43 for the unlimited issuance of additional series, or
7 44 partially open-ended, limited as to additional series.

7 45 Sec. ____ . NEW SECTION. 12.94 LIMITATIONS.

7 46 Bonds issued pursuant to section 12.91 are not
7 47 debts of the state, or of any political subdivision of
7 48 the state, and do not constitute a pledge of the faith
7 49 and credit of the state or a charge against the
7 50 general credit or general fund of the state. The
8 1 issuance of any bonds pursuant to section 12.91 by the
8 2 treasurer of state does not directly, indirectly, or
8 3 contingently obligate the state or a political
8 4 subdivision of the state to apply moneys, or to levy
8 5 or pledge any form of taxation whatever, to the
8 6 payment of the bonds. Bonds issued under section
8 7 12.91 are payable solely and only from the sources and
8 8 special fund and accounts provided in section 12.92.

8 9 Sec. ____ . NEW SECTION. 12.95 CONSTRUCTION.

8 10 Sections 12.91 through 12.94, being necessary for
8 11 the welfare of this state and its inhabitants, shall
8 12 be liberally construed to effect its purposes.

8 13 Sec. ____ . Section 15G.108, Code Supplement 2003,
8 14 is amended to read as follows:

8 15 15G.108 GROW IOWA VALUES FUND.

8 16 A grow Iowa values fund is created and established
8 17 as a separate and distinct fund in the state treasury
8 18 under the control of the grow Iowa values board

~~8 19 consisting of moneys appropriated to the grow Iowa~~
~~8 20 values board.~~ Moneys in the fund are not subject to
8 21 section 8.33. Notwithstanding section 12C.7, interest
8 22 or earnings on moneys in the fund shall be credited to
8 23 the fund. Moneys in the fund shall not be subject to

8 24 appropriation for any other purposes by the general
8 25 assembly other than as provided in this Act and 2003

8 26 Iowa Acts, First Extraordinary Session, chapter 2, but
8 27 shall be used only for the purposes of the grow Iowa

8 28 values fund. The treasurer of state shall act as
8 29 custodian of the fund and disburse moneys contained in
8 30 the fund as directed by the grow Iowa values board,

8 31 including automatic disbursements of moneys received
8 32 pursuant to the terms of bond indentures and documents
8 33 and security provisions to trustees. The fund shall

8 34 be administered by the grow Iowa values board, which
8 35 shall make expenditures from the fund consistent with
8 36 this chapter and pertinent Acts of the general
8 37 assembly. Any financial assistance provided using
8 38 moneys from the fund may be provided over a period of
8 39 time of more than one year. Payments of interest,
8 40 repayments of moneys loaned pursuant to this chapter,
8 41 and recaptures of grants or loans shall be deposited
8 42 in the fund.

8 43 Sec. ____ . Section 15G.110, Code Supplement 2003,
8 44 is amended to read as follows:

8 45 15G.110 FUTURE CONSIDERATION.

8 46 Not later than February 1, 2007, the legislative
8 47 services agency shall prepare and deliver to the
8 48 secretary of the senate and the chief clerk of the
8 49 house of representatives identical bills that repeal
8 50 the provisions of this chapter, with the exception of
9 1 sections 15G.101, 15G.102, 15G.103, and 15G.108. It
9 2 is the intent of this section that the general
9 3 assembly shall bring the bill to a vote in either the
9 4 senate or the house of representatives expeditiously.
9 5 It is further the intent of this chapter that if the
9 6 bill is approved by the first house in which it is
9 7 considered, it shall expeditiously be brought to a
9 8 vote in the second house.

9 9 Sec. _____. Section 99G.39, subsection 3, paragraph
9 10 a, Code Supplement 2003, is amended to read as
9 11 follows:

9 12 a. Notwithstanding subsection 1, if gaming
9 13 revenues under sections 99D.17 and 99F.11 are
9 14 insufficient in a fiscal year to meet the total amount
9 15 of such revenues directed to be deposited in the grow
9 16 Iowa values fund, the vision Iowa fund, and the school
9 17 infrastructure fund during the fiscal year pursuant to
9 18 section 8.57, subsection 5, paragraph "e", the
9 19 difference shall be paid from lottery revenues prior
9 20 to deposit of the lottery revenues in the general
9 21 fund. If lottery revenues are insufficient during the
9 22 fiscal year to pay the difference, the remaining
9 23 difference shall be paid from lottery revenues in
9 24 subsequent fiscal years as such revenues become
9 25 available.

9 26 Sec. _____. 2003 Iowa Acts, First Extraordinary
9 27 Session, chapter 1, section 114, is amended to read as
9 28 follows:

9 29 SEC. 114. The divisions of this Act designated the
9 30 grow Iowa values board and fund, with the exception of
9 31 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
9 32 Supplement 2003, the value-added agricultural products
9 33 and processes financial assistance program, the endow
9 34 Iowa grants, the technology transfer advisors, the
9 35 Iowa economic development loan and credit guarantee
9 36 fund, the economic development assistance and data
9 37 collection, the cultural and entertainment districts,
9 38 the workforce issues, and the university-based
9 39 research utilization program, are repealed effective
9 40 June 30, 2010.>

9 41 #3. By renumbering as necessary.

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9 45 _____
9 46 WILLIAM A. DOTZLER

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9 49 _____
9 50 HERMAN C. QUIRMBACH

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10 3 _____
10 4 MATT McCOY

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10 7 _____
10 8 JACK HOLVECK

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10 11 _____
10 12 DR. JOE SENG

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10 15 _____
10 16 ROBERT E. DVORSKY

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10 19 _____
10 20 MIKE CONNOLLY

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10 23 _____
10 24 WALLY E. HORN

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10 27 JOHN P. KIBBIE
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10 30 _____
10 31 JACK HATCH
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10 34 _____
10 35 MICHAEL E. GRONSTAL
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10 38 _____
10 39 AMANDA RAGAN
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10 42 _____
10 43 KEITH A. KREIMAN
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10 46 _____
10 47 THOMAS G. COURTNEY
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10 50 _____
11 1 ROGER STEWART
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11 3
11 4 _____
11 5 DARYL BEALL
11 6 SF 2298.321 80
11 7 tm/cf